



KENTUCKY INFRASTRUCTURE AUTHORITY

Steven L. Beshear
Governor

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-0260
Fax (502) 573-0157
<http://kia.ky.gov>

John E. Covington III
Executive Director

October 3, 2008

To Whom It May Concern:

Do you have a drinking water project that will need funding during the 2010 state fiscal year (July 1, 2009 thru June 30, 2010)? If so, we want to hear from you. Your project may be eligible for a low interest loan to partially or even fully fund your next drinking water project. These loans can be used to match grants from Community Development Block Grant (CDBG), Appalachian Regional Commission (ARC) and the Environmental Protection Agency (EPA). We also partner on projects that have U.S. Rural Development (RD) funds and state appropriation line items.

The Drinking Water State Revolving Fund (DWSRF) is a competitive program. To be qualified to apply for a low interest DWSRF loan, your eligible project **MUST** be ranked and listed on the SRF Priority List developed by the Division of Water (DOW). It's easy to get on this list. All you have to do is download the Project Questionnaire, a Word document, complete the form and send it to DOW. While electronic submittals are preferred, you may complete the form and mail it back. Pick the option that is best for you.

Completed Project Questionnaires must be received by the DOW no later than 4:30 PM eastern time, on December 5, 2008. The Project Questionnaire is available at the DOW website at www.water.ky.gov/publicassistance/funding/dwsrf/iup or the KIA website at www.kia.ky.gov. All hardcopies may be mailed to: DWSRF COORDINATOR, AMANDA YEARY, DIVISION OF WATER, WATER INFRASTRUCTURE BRANCH, 200 FAIR OAKS, 4th FLOOR, FRANKFORT, KENTUCKY 40601. If submitting a hardcopy only, please allow additional time for mailing.

If you have projects on the 2009 DWSRF Project Priority List that have not been funded and wish for these projects to be carried over to the 2010 DWSRF Project Priority List, please send a letter listing the projects to be carried over to the 2010 Project Priority List by December 5th or send an email to Amanda Yeary at Amanda.yeary@ky.gov. DWSRF Project Questionnaire Forms do not need to be resubmitted for projects already on the 2009 Project Priority List, but forms must be submitted for any new projects or carryover projects with significant scope changes. Additionally, only those projects that can start construction by June 30, 2010 will be considered for funding.

The Kentucky Infrastructure Authority will offer three interest rates for the DWSRF program. The standard rate of 3% will be available for borrowers with a median household income (MHI) at or above \$33,672, the MHI of the Commonwealth from the 2000 Census. A 2% rate will be offered to borrowers whose MHI is between \$33,672 and \$26,937 (80% of the Commonwealth MHI). The 2% rate will also apply to those projects that facilitate compliance with an order or judgment addressing environmental non-compliance or those systems that are considered regional. To qualify for the 1% rate, the borrower must have a MHI less than \$26,937.

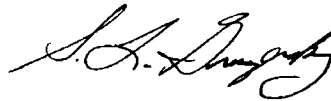
Enclosed with this mailing is a brochure highlighting the Sustainable Infrastructure (SI) initiative launched this year by EPA and the Kentucky Division of Water. Please review the materials keeping in mind that in future years, SI may be incorporated into the point structure allowing for your project to attain a higher ranking on the DWSRF Project Priority List. The DOW encourages you to contact them with any questions or feedback regarding the SI initiative.

If you have questions about completing the questionnaire or project eligibility for priority list inclusion, please contact Amanda Yeary of the Water Infrastructure Branch at amanda.yeary@ky.gov or at (502) 564-3410. For more information on loan requirements, terms or eligibility contact Sandy Williams of KIA at sandy.williams@ky.gov or (502) 573-0260.

Sincerely,

A handwritten signature in black ink, appearing to read 'J.E. Covington' with a stylized flourish at the end.

John E. Covington, Executive Director
Kentucky Infrastructure Authority

A handwritten signature in black ink, appearing to read 'S.L. Gruzesky' with a stylized flourish at the end.

Sandra L. Gruzesky, Director
Division of Water